



RE/MAX | RISE

EXECUTIVES, BROKERAGE - INDEPENDENTLY OWNED AND OPERATED

A definitive
GUIDEBOOK

TO REAL ESTATE

www.RemaxRise.com

BUYING A HOME

AGENCY RELATIONSHIPS

BUYER AGENCY

At RE/MAX RISE, we are focused on helping you make an informed choice. A key part of our job is to make sure you understand the Agency Relationships from Sellers Agent, Buyers Agent, Dual Agency through to Customer Service.

We will provide you literature to explain the relationships that are available prior to any offer being made or received and further highlight the agency relationship specific to your transaction.

It is also important to note that when Sellers list a property for sale, they sign a listing document which, among other points, provides the authority to the real estate brokerage to market the property for sale to prospective buyers. This agreement outlines the respective relationship between the real estate brokerage and the Seller. As buyers' representatives, we can provide either a "Customer Service Relationship" or a "Buyer Agency Relationship". The latter form is much like the contract between Sellers and Buyers in that it outlines the services offered to Buyers and further gives us authority to forward your documentation to solicitors to assist with the purchase of your property and to represent your interest.

Your RE/MAX RISE sales representative will provide you documentation and review the forms of agency relationships that exist to assist you with understanding who is working for whom during the process.

WHAT SIZE OF HOUSE IS BEST FOR YOU?

Is life in your present home too close for comfort? Do you have to take a number every morning outside of your own bathroom? Would a family room or a playroom be useful, or could your kitchen be redesigned to be more efficient? Most homeowners can answer yes to at least one of these questions. It's all a matter of space and how it's used. It's also a matter you need to think about carefully when choosing your next home. For instance: How many rooms will you need for the house to be liveable? Is a single bathroom enough or would it be more convenient to have a second one? It's okay to have two small children in one room now, but how will it be in a few years? It's not just the space inside the home. You should also remember any special needs that you may have, such as a large yard, or if you plan on buying a truck or trailer, will zoning regulations in the area permit you to park it near your home?



ACCOMMODATIONS WHAT TYPE OF HOUSE

Today's housing market offers many types of accommodations and finding the one that best suits your needs is our goal. The names given to different housing types can vary from region to region, but listed here are the most common types available for a quick reference.

- **SINGLE FAMILY DETACHED HOUSE:** A freestanding dwelling of one or more storeys designed to accommodate one family. In certain areas, single family dwellings may also be zoned to allow for a secondary residential dwelling unit within.
- **PARCEL OF TIED LAND (P.O.T.L.):** Is a residential dwelling within a condominium corporation that is responsible for interior roads and/or services that are privately owned.
- **SEMI-DETACHED HOUSE:** One of two single-family houses joined and separated by a common wall.
- **LINK HOME:** One of two single-family houses typically joined at the garage.
- **DUPLEX, TRIPLEX, ETC:** Two or more dwelling units, one above or beside the other. The owner may choose to live in one unit and rent the other as a source of investment income.
- **ROW OR TOWN HOUSE:** One of several single-family dwellings joined together by common walls.
- **CONDOMINIUM:** Most often either townhouses or apartment-style. Owners have a share in a condominium corporation and enjoy the benefits of home ownership within the four walls of their unit. The condominium corporation maintains the common areas such as parking lots, hallways, parks, elevators, etc.
- **MOBILE:** While most mobile homes rarely move anywhere, they are not often secured to the ground by a slab or foundation. They most often sit on leased land, but can be situated on the owner's property as well.
- **COTTAGE:** Most often built for 3 season use only (i.e. little or no insulation, heating source, seasonal zoning, etc.).

“ Whatever your housing need, we are
for and about you
finding the right home!



MORTGAGE PRE-APPROVAL

A pre-approval for a mortgage is an important first step in the home buying process. It allows you to know exactly how much a lender is willing to give you so you can view houses with confidence and submit the strongest possible offer when you're ready.

You can start on your own by assessing your annual income versus your current debts. If the ratio, also called Gross Debt Service (GDS) is higher than 32% debt to income, you may need to re-evaluate your current loans. A mortgage broker or bank representative, however, is best qualified to help you put this all together. You can check your credit report on your own for a small fee with companies like www.EquiFax.com and www.TransUnion.com.

Lenders require certain information to properly evaluate the best mortgage option for you. Here is an overview of what you'll need:

- Your last year's Notice of Assessment. If you're self employed, bring the last 2-3 years of income.
- Your most recent pay stub.
- List of all your current debts (credit cards, car or other loans) and the lender involved including most recent balance and monthly expenses.
- List of your current assets (RRSP's, vehicles owned, etc.).
- Source of down payment. If it is a gift from a family member, you'll need a letter from them stating as such. If it's coming from your RRSPs, TFSA, or similar source, you'll need documentation. Keep in mind that mortgage approval is subject to the accuracy and confirmation of your documents

and statements. It is also a 'general' pre-approval, and some lenders are more particular about the type of home they will lend on. For example, many lenders will not write a mortgage for a mobile home because the land is leased. Others will hesitate if there are major structural problems, poor water supply, etc. It's important to find out what limitations the lender has and what options you will have for pre-payment, renewal terms, etc. Here are some questions you should ask your bank representative or mortgage broker:

1. What are the current interest rates and terms available to me? Sometimes the lowest rate offers the fewest options for pre-payment. Also, discuss options such as variable rate mortgages, which may be better suited to your needs.
2. What fees are involved? Specifically: insurance premiums, appraisal costs, lender fees.
3. What penalties are involved if I want to pay out all or part of my mortgage in the future?
4. Can I port this mortgage if I decide to sell and purchase another property?
5. What programs are available to you to assist with your purchase? These may include RRSP Home Buyers Plan, Purchase Plus Improvements options (to finance cost of improving your home within your mortgage), Land Transfer Tax rebates and more.
6. Is a longer or shorter amortization better in the long term? What about bi-weekly versus monthly payments?

Obtaining the above information will greatly assist the meeting you have with your lender or mortgage broker.

LAND TRANSFER TAX

Land transfer tax is assessed on a property when a deed is registered transferring ownership of the property from one party to another. Costs are determined using a sliding scale of percentages based on property value.

CALCULATION:

Amounts up to and including \$55,000: 0.5%

Amounts exceeding \$55,000, up to and including \$250,000: 1.0%

Amounts exceeding \$250,000, up to and including \$400,000: 1.5%

Amounts exceeding \$400,000: 2.0%

Amounts exceeding \$2,000,000, where the land contains one or two single family residences: 2.5%.

If you buy property in Toronto, you may also pay the City of Toronto's own municipal land transfer tax.

EXAMPLE: Land Transfer Tax Calculation

A single-family home is purchased for \$450,000... the following calculation applies:

\$0-\$55,000	0.005 x \$55,000	= \$275
\$55,000-\$250,000	0.01 x \$195,000	= \$1,950
\$250,000-\$400,000	0.015 x \$150,000	= \$2,250
\$400,000 plus	0.02 x \$50,000	= \$1,000
Land Transfer Tax Payable		= \$5,475

FINDING THE RIGHT HOME **HELPFUL CONSIDERATIONS**

City versus country. New versus resale. Condo versus freehold. There are a wide range of options available to home buyers in all price ranges. We have compiled a review of some typical factors you may wish to consider. Your RE/MAX RISE sales representative will assist you further in finding the right housing option for you.

TOP 10 **NEW HOME BUYING TIPS**

1. A typical new home purchase likely starts with a visit to the builder's model home, which in most instances contains upgrades. A great first step is to review the builder's standard finish selections.
2. Most new home buyers will select upgrades to suit their personal preferences. Here are some key points to consider:
 - Exterior window finish (it doesn't have to be white), an upgraded garage door has visual impact, entrance door style and under soffit lighting accents (front and back).
 - Flooring options; hardwood & tile enhance interior appeal and value. There are many options for installation; staggered tile with thinner joints is just one of many installation ideas.
 - Custom paint colours... an up charge but do you really want to move in & paint your new home?
 - Recessed pot lights accents.
 - Kitchens and baths are important elements to your new home so review design options (a visit to the kitchen suppliers showroom and meeting with a design consultant is highly recommended).
 - Discuss adding extra bracing for future built-ins like a flat screen TV and rough-in a conduit chase to hard wires.
 - If construction permits, select locations for your phone and cable outlets to suit your needs.
3. How will your home sit on the lot? Each building lot has a predefined envelope which your home will need to fit within. Ask to review the lot plan for your new home to better understand how your home will sit in relationship to the lot boundaries, surrounding homes, sidewalks and location to what is referred to as lawn furniture (hydrants/electrical boxes).
4. If not present in the contract, insist upon a solicitors review clause so that you can review covenants, contracts and Tarion Warranty (typically in addition to the purchase price) for clarity. Some contracts contain a clause that adds additional expenses for rock excavation; if encountered on the lot, this can add up.
5. Exterior selections may still be available for you to select from shingles to exterior brick and siding. The best recommendation here is to preview not just the small sample board, but to preview homes that may have one or all of the selections you are considering; a sample board does not give you the big picture you need.
6. Look beyond the home to the location and how it fits your lifestyle and future needs, from schools to parks, services, amenities, future traffic patterns and planned future development (that empty land adjacent may be a future shopping centre).
7. Conduct a framing inspection to preview your home before the drywall goes up. If you made a design change to an interior wall, added an extra window, this is a great time to preview that this is in the right place.

8. New homes are typically marketed at a price that is referred to as “Net HST Included”. What this means is that when purchasing a home for principal family residence, the purchase price marketed includes the Net HST. The Net HST is the total applicable HST less any applicable rebates (government rebates are credits on HST indexed to purchase price up to \$400,000). Any government rebates due are then assigned by you to the benefit of the Seller as your purchase price is pre-adjusted in your favour for the rebate credit. Though, a little confusing, what is important to understand is a new home marketed to include “Net HST” is not then subject to an additional 13%. If you are purchasing a home above \$400,000 and add extra additional investments to the purchase price, they will be subject to the full 13% HST as the maximum rebate will have been met. Lastly if you are purchasing for rental investment, the Net HST should be adjusted off the purchase price and you will need to pay the full HST on closing and then apply for the HST Rebate following closing per CRCA Guidelines including the need to provide a minimum one year residential lease.
9. The Tarion Pre-delivery Inspection (PDI) is an on-site meeting with you and the builder’s representative (typically site supervisor) to review your new home in its completed state (seasonable items may still be outstanding). It is an opportunity to get to know the features of your home and to list any incomplete and/or missing items outstanding prior to occupancy. Like any real estate transaction, stating items in writing is the best route.
10. Enjoy your new home! In addition to your own builder’s featured extras, you are benefiting from years of home building experience and continually improving building codes. This makes your new home better than ever before.

RESALE HOMES

A Resale Home refers to any home that has been previously lived in. It could be an original Victorian home or a home less than a year old that still has Tarion Warranty Coverage.

TOP 10 RESALE HOME BUYING TIPS

1. First and foremost, take a moment and work through a needs analysis of both home and area. Look to both your short and long term needs for both home and surrounding community. We have a great form to help you here... visit our website or ask your sales representative.
2. Get pre-qualified financially and then look beyond monthly mortgage payments for your lifestyle needs, future and present. Spend time on your budget and set yourself a price range to start your home buying review that works for you. Budget for closing costs from land transfer and legal fees to adjustments for pre-paid taxes, title insurance and more (good rule: around 2% of the purchase price).
3. Meet with one of our sales representatives before you start touring homes. We can do so much in a home review meeting... show you comparable sales, active properties, area trends and features... better still, we can listen to fully understand your needs.
4. Evaluate home and neighbourhood from pending developments to amenities and features that are important to you such as schools, shopping, recreational, traffic patterns and more.
5. Picture the house you enter empty. This is how it will be delivered to you, so take a moment and picture everything out of the house and envision how your furnishings and decor will fit into the property.
6. Use the RE/MAX RISE Pre-Offer Property Preview form before you make an offer. This ensures you walk around the property and observe potential visual defects, deal with any chattels, fixtures and provide for that extra attention to detail that a major purchase demands.
7. Evaluate comparable sales prior to making an offer to make an informed choice about the offer price. Home sellers do this and so should home buyers... we are here to help.
8. If you are renting, do not set your closing date for the day you have to move... why add the extra pressure? Set this a few days before so you can move in at your leisure. Also keep in mind that closing day requires transfer of funds prior to title, this does not occur at an exact time of day. Discuss this with your lawyer and coordinate your move accordingly.
9. We will draft a conditional offer that incorporates key conditions to protect you such as home inspection to insurance on through to suitable financing. Always do a home inspection, it is a great way to get to know your property before you make the final purchase commitment, and be present for the home inspection – it is being done for you! Ensure as well, insurance and financing are all 100% complete, no one needs a last minute surprise on moving day.

10. Before closing, have utility arrangements in place and pre-consult lawyers, lender and insurance to be sure everything is ready for closing date. We will be in touch prior to closing to complete a pre-closing preview... an important final step prior to taking possession to ensure everything is as originally previewed.

TOP 10 CONDOMINIUM BUYING TIPS

A condominium is a form of ownership where you own your unit together with common elements that are owned and managed for the benefit of all owners within the condominium. A condominium can be an apartment suite, townhouse or in some instances vacant land. Here are our Top 10 tips for condo buyers:

1. **STATUS CERTIFICATE REVIEW** We always make condo offers conditional upon review of this key document and there is a fee associated with this of about \$100; it is money well spent. The status certificate is not a single document; it provides for the overall budget and reserve fund of the condo including if there are any legal proceedings or special assessments pending. In addition, it provides the Declaration, By-Laws, insurance, management contract, rules and regulations and minutes of the last annual general meeting. The real purpose of this review is to understand more than just the financial health of the condo but to provide you an outline of rules and regulations that apply to all owners (ex. are pets allowed).
2. **UNDERSTANDING EXCLUSIVE USE AND COMMON AREAS** When you purchase a condominium you are purchasing the right to use common areas such as the hallways, amenities and lobby areas. In addition to these common areas, you may either own your parking space by title or have exclusive use. Some condos have a party room and guest suites, which can be booked on a per fee basis to cover any clean up associated with use. Where you park, what storage you have and where your bicycles may go is important for you to know. **Who replaces the roof or windows? This question is less common in apartment condominiums** where exterior maintenance items are more practically handled by the corporation; however a townhouse condo corporation may or may not take care of exterior items. The details are all outlined within the status certificate.
3. **GET THE FULL TOUR** Meet the building manager and be sure you get the full tour of the building from all common areas to details of access for moving day (if it is an apartment condo you will need to pre-book the elevator for moving day).
4. **COMMON WALLS** There are various forms of construction of condominiums and each have their pros and cons. With any resale condominium, you see the finished product but what you don't see is the separation and in particular, the sound separation methods installed to mitigate sound transmission between units. This can include insulation around the pipes, wall separation and floor separation. Make an additional visit during a more active time of day for other owners and ask about sound transmission factors.
5. **RENOVATION PLANS** Prudently most condominiums have guidelines with respect to changes to the interior of the condominium unit. This can impact future plans for wall removal or design modifications. If you are contemplating renovations, it is important to understand the restrictions that are in place that may limit your ability to modify your condo unit.
6. **BUILDING INSPECTIONS** It is advisable to have a home inspection of the condominium you are purchasing inspected to better understand the condition of your condominium unit.
7. **BUDGETING** Condo fees are designed to provide for ongoing maintenance of common areas as well as budgeting for major future expenses like window or roof replacement. A portion of the condo fees pays for insurance, while this will not eliminate the need for additional home owners insurance, it will likely reduce your insurance premium costs. It is important to add condo fees to your budget.
8. **OVERALL ASSESSMENT** A condominium is managed by an appointed management company and overseen by a board of directors, whom are unit owners within the condo. The point here is the overall condition of the condominium; maintenance and state of presentation are a reflection of the make up of the condominium.

9. **NEW CONDO PRE-CONSTRUCTION CONDO** If you are purchasing a pre-construction or newly finished condo pending final registration, there are several additional points of consideration.

HERE IS A BRIEF OUTLINE...

- All newly built condos are automatically subject to a “10 Day Cooling Off Period” from the time the buyer receives a copy of the status certificate. Unlike a resale condo, there are no fees for these documents however; the budget is a proposed budget as there is no operational history to rely on.
- A new condominium (unless exempted) is subject to Tarion Registration, with further details outlined in the contract that apply to the Tarion program. There is likely an additional fee for the units enrolment based on price. The Tarion form will have a Schedule “B” that should, as a requirement of Tarion, include a summary of all potential additional costs included in the contract.
- When you move in to a newly built condominium it is important to note that the condo is likely unregistered. A condo cannot be registered until it is fully built and high rise condos are typically finished floor by floor. Until the condo is registered, your occupancy will be known as an interim occupancy. Your full deposits prearranged in your purchase agreement will be due but you will not yet own your unit as title is not able to be assigned. During this period you will pay an interim occupancy fees, which is based upon the interest on the unpaid balance of your purchase price (interest rate is set by Condominium Act), the estimated monthly condo fees and estimate of property taxes. This fee is paid monthly until the condominium is registered.
- A new condominium purchase may be subject to a predetermined condition occurring, this can be everything from zoning approval, site plan approval and or other third party factors. These conditions can impact delays in construction and in some instances require significant changes to the proposed condominium. Any experienced real estate agent will tell you that in pre-construction condos, it is best to gauge the actual closing date based on completion of any major development condition and relative to actual construction schedule at a time when closing can be better defined. Tarion provides for rights for extension and various guidelines where if interim occupancy has not been met by a preset timeline that the Agreement can be terminated.

10. **LIFESTYLE ADVANTAGE** Condominium living provides for a more carefree lifestyle where typically maintenance of grounds and amenities are controlled by others. It can make it easier for going away for periods of time for travel or just meet your lifestyle needs. Review location, amenities and housing style in context of your lifestyle needs. As a final note keep in mind that if you do plan on going away for short periods to travel and are thinking of renting your unit short-term (i.e. Airbnb) that this may be restricted. Always check the Status Certificate documents and rules and regulations.



TOP 10 RURAL HOME BUYING TIPS

Found that ideal home in the country? We have some great advice to assist you with your purchase. As always your RE/MAX RISE representative is here to guide you through.

1. **WELL WATER REVIEW** Rural homes are typically serviced by either a drilled or dug/blasted well. A previous well water test may have been completed (well water records are available online at ontario.ca) though, a current test should be completed by a professional prior to purchasing. A Ministry of Health water test is needed to confirm quality (your lender will also want a copy of this report) for drinking water but this test pays no attention to true water quality i.e. salt, sulfur, minerals, etc.).
2. **SEPTIC SYSTEM** A septic system captures all outgoing water flow into a septic bed that provides for natural filtration and is common in most rural homes. Septic systems are costly with a new tank running around \$5,000 on its own, entire systems can be more than \$20,000. A septic system inspection and pump out is key and will indicate whether the system is functioning correctly. It is important to attend the inspection as additional basic testing will be completed, including a flow test to see if the system is draining to the bed properly. Tip here - check wind direction and stand accordingly ;-).
3. **SURROUNDING PROPERTIES** There may be an empty field behind your property but depending on what it is zoned for, it could end up being used for crops, cattle or other agricultural use. Understanding your neighbouring properties is important, especially if you don't want to hear the mooing of cattle from your back porch. We can assist you with this.
4. **ACCESS** Depending on the location of your rural property, access to your home may be through a private road versus municipal. This is not uncommon in the case of seasonal or cottage properties. Typically, private roads will have a shared maintenance fee with other owners. Understanding how much the fee is and what it covers is an important factor in purchasing a rural home.
5. **BOUNDARIES** Locating your property boundaries on a large rural property is not as easy as within the city limits however, it is important to understand where your lot begins and ends. A land survey is great though not always available. We offer basic lot mapping and recommend scheduling a walk through with the seller to gain a basic understanding of the lot and location of your key services like well and septic system in addition to any underground services like hydro lines.
6. **WELL MAINTENANCE** One question that is not commonly asked when purchasing a rural property is the age of the well pump. Understanding what type of well you have and the location of the pump (whether casing access is buried or extended) is important should it ever need to be repaired or replaced. You will save yourself a lot of headache by knowing these details should you find yourself needing maintenance work in the middle of winter.
7. **WELL TREATMENT SYSTEMS** Well water is typically hard water so it is not uncommon to see water softeners though other systems may include filtration systems for minerals to reverse osmosis for salt or UV treatment systems. All of these systems have regular maintenance procedures and you, as your own utility provider, need to understand.
8. **PROPERTY INSPECTION** In addition to the well and septic testing, we always recommend having your property inspected by a qualified home inspector and attending the home inspection. Ask questions and get the answers you need.
9. **ZONING CHECK** You may have just purchased a property with significant acreage and plan on starting that hobby farm you have always wanted. Does the zoning fit your needs? If your property is part of an estate it is also important to review any community covenants that may apply. Covenants run with the land and can apply to such things as parking of campers in drives to clotheslines.
10. **LOCATION CROSS CHECK** Before finalizing your sale, be sure to review details such as school bus routes, road accessibility for all seasons in addition to phone and high speed internet availability. These details may seem minor in the grand scheme of things but once you're settled in, you'll be glad you looked into it early.

THE COST OF LIVING **HOW MUCH CAN YOU AFFORD?**

Let's face it: home ownership is not just the cost of the mortgage. There are so many more factors to consider. Start with drawing up a budget specific to your needs and assets. No two families live the same way and no two people budget the same way either. Two homeowners with identical incomes will not necessarily spend the same amount of money or choose the same accommodations. Priorities, as well as individual needs, can differ and you need to examine how much more you would be willing and able to pay for something new.

It's important that you are honest with yourself. If you want something more expensive, it may put a strain on your budget and you may have to change your lifestyle to accommodate the extra carrying costs. An average family should not spend more than 25% to 35% of its gross income on housing.

For a home that carries a mortgage, this figure should include payments of principal, interest and property taxes. For rental housing this figure should fully cover your rent. There are other expenses such as water, heating, electricity and insurance costs. You also need to budget for any renovations you want to do, plus a contingency plan if you require repairs such as a new furnace or shingles.

WHAT IS YOUR CURRENT INCOME?	
Gross monthly income	\$ _____
Gross monthly income (spouse)	\$ _____
Other income	\$ _____
TOTAL MONTHLY GROSS INCOME	\$ _____

TOTAL MONTHLY HOUSING EXPENSES	
Mortgage payment	\$ _____
Utilities	\$ _____
Taxes	\$ _____
Condominium fees	\$ _____
TOTAL MONTHLY EXPENSES	\$ _____

CALCULATION	
$\frac{\text{Total monthly housing expenses}}{\text{Total monthly gross income}} \times 100 =$	% of income now paid for housing
EXAMPLE:	
Total monthly gross income	\$5,000
Total monthly housing expenses	\$1,250
$\frac{1,250}{5,000} \times 100 = 25$	
Percentage of income now paid for housing = 25%	

WHAT % OF YOUR MONTHLY GROSS INCOME ARE YOU SPENDING ON HOUSING?
15-20% = Excellent 25-30% = Acceptable 31-39% Average Above 40 % = Too much



CHOOSING THE RIGHT MORTGAGE FOR YOU

There are different types of mortgages offered by lenders in Canada. Each has its own advantages and disadvantages, depending on your situation and comfort level.

► OPEN MORTGAGE

Allows the flexibility of prepayment. You can pay part or all of the balance owing without any type of interest penalty.

► CLOSED MORTGAGE

Keeps payments unchanged for the duration of the loan period. It provides payment stability but penalizes a mortgagor who wishes to terminate the mortgage earlier. Each institution will have its own repayment options and policies. Most offer some type of extra pre-payment option that allows you to make extra principal payments to pay off your mortgage faster.

► VARIABLE RATE MORTGAGE

Changes based on the banks prime rate and therefore fluctuates with the financial markets. It offers the advantage of lower rates if mortgage rates decline but as the name implies varies if rates do increase, options may exist to cap the increase over the term.

► FIXED RATE MORTGAGE

Keeps the mortgage rate the same throughout the life of the mortgage even if rates rise. If rates go down, a fixed rate mortgage may prove to be more expensive than a variable rate one. The terms can range from six months to ten years.

► CONVENTIONAL MORTGAGE

Is a loan up to 80% of the appraised value or purchase price of the property, whichever is less. The remaining amount comes from the borrower's

own resources and is known as the down payment. Mortgages that exceed this limit by law must be insured against default, and are referred to as a High Ratio Mortgages.

► HIGH RATIO MORTGAGE

Is used for loans that exceed conventional mortgage lending guidelines (when down payment is below 20% of purchase price). These mortgages are granted under the National Housing Act (NHA) and must, by law, be insured against default through Canada Mortgage and Housing Corporation (CMHC) or Genworth Financial Canada (GENWORTH). The borrower will have to pay the insurance premium, which varies depending on the total mortgage amount. Typically, the insurance premium is added to the principal amount of the mortgage.

You will likely be offered life insurance on the mortgage from the lender. Although these are often inexpensive and convenient, they are very basic and may not pay out in certain situations. They are normally owned by the lender itself, not you as the buyer, meaning your mortgage will be paid, with little or no additional expenses. It also maintains its value with the value of the mortgage which is reducing over time itself. Be sure to look into other life insurance products that may be offered by your financial advisor or insurance broker, which are typically arranged more in your favour to cover a variety of scenarios. They maintain their original value, so if your policy is for \$200,000, it will still be worth that in 10 years, regardless of how much your mortgage is worth.

FIRST TIME BUYERS TAKE NOTE

It is important to note that there are programs that may apply if you are a first time buyer. At the time of printing these programs include:

FIRST-TIME HOME BUYERS PLAN Allows first-time home buyers to withdraw a maximum of \$25,000 from their Registered Retirement Savings Plan (RRSP) in order to purchase their first home. The withdrawn amount must be repaid over the next 15 years.

FIRST-TIME HOME BUYERS LAND TRANSFER TAX REBATE Qualifying first-time buyers will pay no land transfer tax on the first \$368,000 of the value of the eligible home. For a home valued greater than \$368,000, buyers will receive a maximum refund of \$4,000.

FIRST-TIME HOME BUYER TAX CREDIT First-time home buyers can apply for a Government of Canada tax credit when completing their income taxes for the year in which they purchased their home. The tax relief is based on an amount of \$5,000 and the eligible individual will receive up to \$750.

NOTE: If you are purchasing a property with a co-buyer who is not a first time buyer, this may impact the program offer. These programs are subject to change.

HOME SHOPPING? PUT RE/MAX RISE TO WORK FOR YOU!

We have worked hard to compile accurate and up-to-date resources designed to help you with finding the right home and we welcome the opportunity to put our skills and knowledge to work for you.

It goes without saying that the Internet is a very powerful tool in your home search. A quick visit to www.RE/MAX RISE.com will give you access to all of our current listings, details on our new home builders and information on our agents and support staff. You can also sign up online or over the phone with one of our representatives to receive new listing updates via email, a system that works 24/7 searching for your home across the MLS® System.

RE/MAX RISE sales representatives understand the

value of responsive communication and have a range of power tools to respond promptly to your requests. Our core goal is to understand your needs and put our resources to work to provide an efficient way to connect you to the right property. Our new listing update system works 24/7 to keep you in the know about new listings that match your search criteria. We can also make your preview time more efficient by pre-arranging a property tour of select properties that match your needs, better still there is no fee for our service, unless agreed to in advance as we are paid by the Seller. As this guide clearly demonstrates we work hard to help you make an informed choice, our goal is achieving yours.



CUSTOM
PROPERTY
UPDATES
STRAIGHT TO
YOUR INBOX
remaxrise.com

Our team connects you with access to the latest listings in real time so you never miss out on the good ones. Our listing alerts feature let you select the criteria that are important to you, and will email you as soon as new listings become available. Sign up now at RE/MAX RISE.com.

FOUND THE RIGHT HOME? **LET'S TAKE A SECOND LOOK!**

If you have found the right home and are ready to make an offer, we recommend a Pre-Offer walkthrough to make sure we have done a solid review prior to submitting an offer. This walkthrough includes:

EXTERIOR WALK AROUND... Walk around the home paying attention to foundation cracks, windows, shingles and other major repair items. If there is an exterior garage, look for whether power openers are there (you will want to include these). The exterior walk around may reveal propane tanks for the fireplace or furnace; if so, these are rental items and need to be referenced as such within the offer. Also look for outbuildings and improvements that may be questionable chattels and make notes.

INTERIOR WALK THROUGH... The best way to picture a home prior to making an offer is vacant with the owners items removed. Some items may cause damage upon removal and some items may represent questionable fixtures. The offer and all terms associated with the offer must be in writing. When in doubt, clarify in writing the status of any chattel or inclusion.

- **START DOWNSTAIRS** Look for what stays and what you may want to be removed (i.e. an old freezer and/or large workbench – make sure to exclude items you don't want to see in the home). Rental Equipment – look for items that are potentially rented to include in the offer. Fixed or not fixed items shall be noted as, for example, the solid wood bar may not be fixed to the home.
- **MAIN FLOOR** Kitchen appliance inclusions (dishwasher, built-in microwave range hood, etc.) and exclusions, make and location of. Look as well at built-in shelves and items attached to the walls that may be removed, window coverings, area rugs (what's underneath).
- **UPPER FLOORS** In addition to main floor review points for fixed shelves, make sure bathroom mirrors are either fixed or hanging (hanging mirrors are chattels).
- **GARAGE** Check for garage door openers, shelving that you may want to stay or be removed, central vac (type).
- **WOOD APPLIANCES OR PELLET STOVES, FIREPLACES** Will require to have an inspection by a certified inspector to ensure these appliances are suitable for insurance purposes and for your own safety.

ADDITIONAL GENERAL ADVANCE OFFER REVIEW POINTS

1. Copy of SPIS (Seller Property Information Statement) if available. This document includes the Sellers answers to a list of questions relating to the property.
2. Copy of Survey, if available.
3. Related Documents (rural property well water record - pump flow rate, septic use permit, etc.)
4. Use - does it conform to the area, zoning, etc. in relationship to buyers intended needs. A discussion of these issues is required.
5. The legal description verification. As most properties are now on an electronic database we can double-check the legal description and surrounding ownership for you. This is a good way to see if easements possibly not noted in the listing are present and to doublecheck area and ownership information. Your RE/MAX RISE sales representative can assist your review.
6. Curious about recent sales? We can print off for your review recent sale prices to assist you in deciding on an offer price.
7. What will it cost to purchase? A good discussion of closing costs, etc. is worthwhile here as, in addition to the down payment, you will have to pay any pre-paid taxes, legal fees, land transfer tax and other costs related to closing. A good ballpark number for estimating closing costs is between 2 to 2.5% of purchase price but this should be reviewed with your sales representative.



THE DOWN PAYMENT

The down payment on a home is the amount of your own money that you put into the purchase of the home. This, together with the mortgage and closing costs equal the full purchase price.

The minimum down payment currently required is 5% of the purchase price and any down payment less than 20% of purchase price is considered a High Ratio Mortgage. Some Lenders do offer the option to borrow the down payment from another source or as a gift from a family member, subject to mortgage lender approval and guidelines. Down payments lower than 20% of purchase price are considered High Ratio Mortgages and are subject to mortgage insurance fees (CMHC or Genworth) which are typically added to the mortgage principal. Deciding how much to put down is part of a review of your overall budgeting process. While the down payment is the biggest cash aspect of most purchases, don't forget to budget some extra cash for legal fees, Land Transfer Tax, moving expenses and other incidentals.



HOME INSURANCE PROPERTY INSURANCE DONE PROPERLY

When purchasing home insurance you want to make sure you purchase a policy that reflects the unique qualities of your home, its contents and the people who live there. Your home needs to be insured from the moment you take legal ownership – even if it is under construction. Your broker's expertise is particularly useful at this stage when you really need to match policy features and needs.

HOME INSURANCE COVERS THE BUILDING, ITS CONTENTS AND LIABILITY

There are usually three parts to your homeowner's policy:

1. Building insurance covers the main dwelling, garage and any outbuildings. Guaranteed replacement cost is offered on many policies and may be a requirement of your mortgage. Ask your broker for more information.
2. Contents insurance covers the cost of replacing furniture, carpets and personal possessions. Valuables such as art, jewels and furs may require additional coverage.
3. Liability policies insure against the costs incurred if, due to negligence, you are held responsible for an act causing injury or property damage to others.

WHY USE A BROKER?

In Canada, you can purchase insurance:

- directly from an insurance company
- from an agent who represents only one insurer and can only offer that company's products
- on the Internet
- through an insurance broker who can offer a choice of coverages from various insurance companies.

PEACE OF MIND

With over 200 companies providing insurance to consumers in Canada and each offering its own unique coverage, comparing products can be a time-consuming job. A knowledgeable insurance broker can help you find the coverage that's right for you, for your home, car or business.

Insurance brokers are licensed, but for many of them insurance is not just a business, it's a "calling": a deep-rooted desire to help people in their community. Brokers also advocate on your behalf to insurers, regulators, and government to ensure affordable insurance, choices and innovative products.

TITLE INSURANCE

A title insurance policy offers you many benefits:

- Eliminates the need for an up-to-date survey, real property report or building location certificate (“the survey”), while covering you against any defects that might have been revealed had one been obtained.
- Covers you against errors in surveys and other official public records or documents related to your property (i.e. registry/land titles offices, local municipal offices, and tax departments.)
- Protects you in the event of encroachments onto a neighbouring property, zoning infractions, contravention of subdivision, development and other agreements.

In today's real estate market Title Insurance is pretty much a part of every real estate transaction, mortgage holders want this in place and your lawyer will arrange for this as part of the closing adjustments. The full terms and conditions of the policy are included within the policy and can be reviewed further with your lawyer on closing.

CHOOSING A LAWYER

As with every other aspect of your home purchase, you will require the services of a professional to handle the legal aspects of your purchase and mortgage financing.

The lawyer will act on behalf of both you and your mortgage lender to “close” the real estate and mortgage transactions. Look for an experienced solicitor who practices primarily in the real estate field, as he or she will be knowledgeable about title, easements, boundary definition, planning bylaws and subdivision regulations. Such a lawyer can spot issues and protect your interests, including anything that is important to you which you may wish to remain private and confidential and which need not be shared with the other parties to the transaction. The lawyer will search the title, order the survey and prepare tax and other items related to the statement of adjustments, look for liens, advise you on any restrictions which would affect your enjoyment of the property and generally oversee most aspects of your purchase.

It is important to communicate with your lawyer prior to closing and to inform your RE/MAX RISE Representative as early as possible who your lawyer is so that all documentation can be forwarded to your lawyer to prepare for closing. As always, we can assist with recommendations for you.



THE OFFER PROCESS

Before making an offer there are typically several forms to go through. Your RE/MAX RISE representative will go over each one with you in detail so that you understand all of your options, obligations, and conditions.

1. The Confirmation of Co-operation explains the agency relationships to this specific offer and discloses any commission being paid where necessary.
2. The deposit is cashed and held in trust typically by the listing brokerage upon acceptance. Note if your offer contains conditions and they are not met, the Seller and Buyer will need to sign a mutual release and the deposit will then be returned following a minimum 10 day clearing rule. The deposit is held in trust until closing and adjusted as part of your prepayment of purchase upon closing.
3. An Agreement of Purchase and Sale will be signed, outlining the purchase price, deposit amount, important dates and time frames, specifics of zoning, and a list of conditions and additional terms to purchase. This is typically done on a standard OREA (Ontario Real Estate Association) offer form.
4. There are always three options when buyers or sellers are presented with an offer. It can be accepted, rejected, or countered (changing any of the terms). All offers contain what is referred to as an irrevocable period, which essentially states how long the offer is open for acceptance. Once this irrevocable period has passed, the offer cannot be accepted. If the seller decides to make a counter offer, the offer will be turned back to the buyer. Once offering terms (from either Buyer or Seller) are accepted within the irrevocable time period for acceptance in writing, we have an accepted offer.
5. Two key terms in the Agreement of Purchase and Sale are 'chattels' and 'fixtures'. Chattels are any items not physically attached or fastened to the house, such as washing machines, stoves, couches, rugs, etc. Fixtures are attached to the house in some way, such as mirrors (unless mirrors are hanging), ceiling fans, alarm systems, etc. Be clear on what items you want to ask for, or anything that you specifically want removed.
6. A verbal agreement is worth as much as the paper it's written on. In real estate, any agreements, clauses, conditions, etc., must be in writing only. Timelines are also essential. We take great care to ensure that all timelines in your offer are reasonable so you can comfortably make your decision. Failure to meet these timelines, or to

confirm your progress in writing, can jeopardize the offer.

7. The conditions of your offer, such as approval of financing, satisfaction with the home inspection, review of pertinent documents, the right to preview the property in advance of closing and more are absolutely essential for you to feel comfortable with your purchase. Over the years, we have taken great pride in creating conditions that cover a range of brokerage recommendations that protect our clients and clearly outline the terms of the agreement of purchase and sale. The sale of real estate is by no means static so we continually improve our clauses and training to keep up to date on industry matters related to the sale of real estate.
8. Your RE/MAX RISE representative will place a list of standard and/or specific additional conditions within the Schedule "A" of your agreement. These conditions are for your benefit and have a specific time period to be satisfied, which must be done in writing. We are here to assist however this is a team effort and it is up to you to arrange insurance and be sure that financing is finalized, avoid the last minute rush as timelines are key here.

Once an Agreement is accepted and the conditions are met, you will have a firm and binding agreement to purchase the property. On your behalf, we will forward copies of all paperwork to your solicitor. Most lawyers will have you in to sign paperwork well in advance of closing to avoid delays on moving day so be sure to book a time in advance of closing to meet!

Plan out your day of closing to minimize stress. If you are moving on the same day as you take possession, be prepared to not get your keys until late in the afternoon, which could cost you extra money if you've hired a moving company. If you are renting, it's best to set your closing date a few days before you have to move out of your rental to avoid the added stress of moving in and out the same day. Double check with your lawyer and lender to ensure that all funds will be transferred on time. Lastly be sure to do a pre-close walk through prior to closing to ensure that your property has been maintained between the time of purchase and closing.

We are here to assist you every step of the way and to ensure that you are completely comfortable and confident in your decision. You can contact us anytime throughout the process with questions or concerns.